

**Housing Authority of the City of Monroe
Monroe, Louisiana**

Comprehensive Annual Financial Report

For the Year Ended June 30, 2002

Prepared Pursuant to GASB 34 - New Reporting Model

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**Housing Authority of the City of Monroe
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INTRODUCTORY SECTION



August 22, 2002

Dr. Henry Bonner, Jr., Chairman
and Members of the Board
Housing Authority of the City of Monroe
Monroe, Louisiana

Dear Board Members:

The Comprehensive Annual Financial Report of the Housing Authority of the City of Monroe (Housing Authority) for the year ended June 30, 2002, is submitted herewith. This report has been prepared by the Accounting Department personnel following the guidelines recommended by the Government Finance Officers Association of the United States and Canada. Additional information on the Housing Authority financial condition is included in the management's discussion and analysis.

A. Management Responsibility Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the Housing Authority. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and the component unit of the Housing Authority. All disclosures necessary to enable the reader to gain an understanding of the Housing Authority's financial activities have been included.

B. CAFR The Comprehensive Annual Financial Report (CAFR) consists of three parts:

- (1) The Introductory Section. This section includes a transmittal letter, information on financial reporting achievements, the Housing Authority's organizational structure, recognition of the appointed officials of the Housing Authority and a list of selected administrative officials.
- (2) The Financial Section. The financial section consists of management's discussion and analysis, basic financial statements, and combining and individual fund statements and schedules. Combining statements are presented when a Housing Authority has at least one nonmajor fund of a given fund category. Various statements are also used to demonstrate finance-related legal and contractual compliance, present other information deemed useful, and provide details of data summarized in the financial statements.
- (3) The Statistical Section. Included in this section are a number of tables of unaudited data depicting the financial history, demographics and other miscellaneous information of the Housing Authority for the past ten years.

The Housing Authority is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and U. S. Office of Management and Budget Circular No. A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Information related to this single audit includes the Schedule

of Expenditures of Federal Awards, findings and recommendations, if applicable, and auditor's reports on internal control and compliance with applicable laws and regulations. The single audit report is issued separately from this Comprehensive Annual Financial Report.

The primary objective of the Housing Authority is to provide decent, safe and sanitary housing for families which, due to economic hardship, are unable to obtain housing in the private real estate market. A second goal is to assist these families in achieving self sufficiency. To accomplish these objectives, the Housing Authority participates in a number of programs which are discussed in the Notes to the Financial Statements included in this report.

C. Reporting Entity This report includes all funds and account groups of the Housing Authority as well as all of its component units. Component units are legally separate entities for which a government is financially accountable. The Housing Authority is an independent governmental entity created by the state of Louisiana. This creation was contingent upon the local governing body of the city or parish declaring a need for the Housing Authority to function in such city or parish. Although it maintains close ties with the City of Monroe in several respects, the Housing Authority is not a component unit of the City as defined by the pronouncements by the Governmental Accounting Standards Board since it is not financially accountable for the operations of the Housing Authority, has no responsibility to fund deficits or rights to receive surpluses, and has not guaranteed the Housing Authority's debt.

The governing body of the Housing Authority is its Board of Commissioners ("Board") comprised of five members appointed by the Mayor of the City. The Board appoints an Executive Director to administer the affairs of the Housing Authority. The primary source of funding for the Housing Authority is the U. S. Department of Housing and Urban Development ("HUD"), which oversees the expenses of most of the funds.

The Housing Authority is financially accountable for Monroe Affordable Homeownership Community Housing Development Organization, Inc. (Homeownership), a legally separate entity. The Housing Authority can, to a limited degree, impose its will on Homeownership. The Housing Authority also provides office space and some furnishings to Homeownership. Based on the above, it has been determined that Homeownership is a component unit of the Housing Authority.

D. Major Initiatives The Housing Authority received a 90% PHAS from the Department of Housing and Urban Development. Ninety percent and above qualifies as a "High Performer" by HUD standards. This rating is a result of a lot of hard work by the staff, and management's decision to set the PHAS score as a priority.



Homeownership Program administered by Homeownership placed ten families in newly constructed homes. Homeownership, in cooperation with the City of Monroe's Community Development Department, has assisted some 203 homeowners with home purchases totaling \$7,423,658. Construction on four additional homes will begin in 2003.



The Capital Fund Program provided funds for more than \$5,000,000 in renovations on four housing developments. Modernization preparations for Foster Heights' 175 units are well underway for 2003.



The Housing Authority has **rental assistance** programs that were created under Section 8 of the 1974 federal Housing and Community Development Act. Under these programs, the Housing Authority provides subsidies to local landlords on behalf of low-income families and individuals living in privately-owned housing in the city of Monroe.

The Section 8 Housing Assistance Program has received \$404,225 which will assist an additional 100 families in the private rental market. A \$20,800 grant for a Section 8 Family Self-Sufficiency Coordinator was also received.



The **2001 Drug Elimination Grant** funding to continue the Community Policing Program and Drug Prevention Programs in the public housing developments.



The Housing Authority is the recipient of a \$2,200,000 Section 202 funding for **South Pointe**, 36 units of new elderly housing and construction is complete. An additional 44 units are planned for 2003.

The Housing Authority purchased the old Palace Annex to renovate for additional office space. The number of units managed by the Housing Authority has increased from 1,200 in 1978 to over 3,500 today. This growth resulted in the need for additional office space.



In cooperation with the Ouachita Council on Aging, Operation Independence provides housekeeping services, weekend meals and transportation to Frances Towers and McKeen Plaza. Funding is provided through the ROSS grant.



A \$1,100,000 **TANF Grant** from the Louisiana Department of Social Services will provide rental assistance, mortgage assistance, assistance with rental and utility deposits, down payments on homes and housing/budgeting counseling.



The Ouachita Council on Aging, in conjunction with the Housing Authority, received tax credit funding from the Louisiana Housing Finance Agency for a new elderly complex called **Chauvin Pointe**. This new complex is managed by the Housing Authority and consists of 74 units. The development is complete and an additional 65 units are planned.

E. Internal Control Management of the Housing Authority is responsible for establishing and maintaining internal control designed to ensure that the assets of the Housing Authority are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. Internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgements by management.

We believe the Housing Authority's internal controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

As a recipient of federal, state and local financial assistance, the Housing Authority also is responsible for ensuring that adequate internal control is in place to ensure compliance with applicable laws and regulations related to those programs.

As a part of the Housing Authority's single audit, described earlier, tests are made to determine the adequacy of internal control, including that portion related to federal awards programs, as well as to determine that the Housing Authority has complied with applicable laws and regulations. The results of the Housing Authority's single audit for the fiscal year ended June 30, 2002, provided no instances of material weaknesses in internal control or significant violations of applicable laws and regulations.

F. Budgetary Controls In addition, the Housing Authority maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Housing Authority. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by function by fund. Revisions to the budget enacted require Housing Authority approval.

As demonstrated by the statements and schedules included in the financial section of this report, the Housing Authority continues to meet its responsibility for sound financial management.

G. Cash Management All funds invested by the Housing Authority during the year were placed in the U. S. Treasury Securities. The total amount of interest earned during the year on these investments was \$265,686.

The Housing Authority's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, deposits in financial institutions were collateralized by instruments issued by the United States Government or federal government agencies created by an act of congress or insured by the Federal Deposit Insurance Corporation.

H. Risk Management The Housing Authority maintains a combination of self-insurance and stop-loss coverage for workers' compensation insurance. Third-party coverage is currently maintained for individual workers' compensation claims in excess of \$125,000.

I. Independent Audits The report of our independent certified public accountants, Allen, Green & Williamson, LLP, follows as an integral component of this report. Their audit of the financial statements and accompanying combining and individual fund statements and schedules was performed in accordance with auditing standards generally accepted in the United States of America and, accordingly, included a review of the Housing Authority's system of budgetary and accounting controls.



J. Award The Government Finance Officers Association (GFOA) of the United States and Canada issues a Certificate of Achievement for Excellence in Financial Reporting to governments for their Comprehensive Annual Financial Report. To be awarded this certificate, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements. This certificate is valid for a period of one year only.

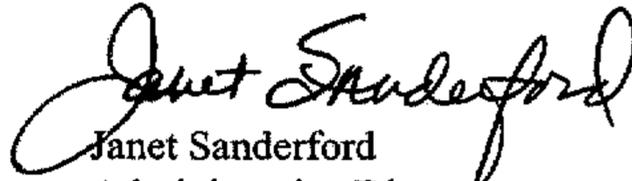
The award is granted only after an intensive review of the financial report by an expert panel of certified public accountants.

Management believes that the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2002, which will be submitted to GFOA for review, will conform to the principles and standards of this organization.

K. Acknowledgments The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Accounting Department. We want to express our appreciation to them for their assistance. We also thank the members of the Housing Authority for their interest and support in planning and conducting the financial operations of the Housing Authority in a responsible and progressive manner.



Frank L. Wilcox
Executive Director



Janet Sanderford
Administrative Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Housing Authority of the
City of Monroe, Louisiana

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2001

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



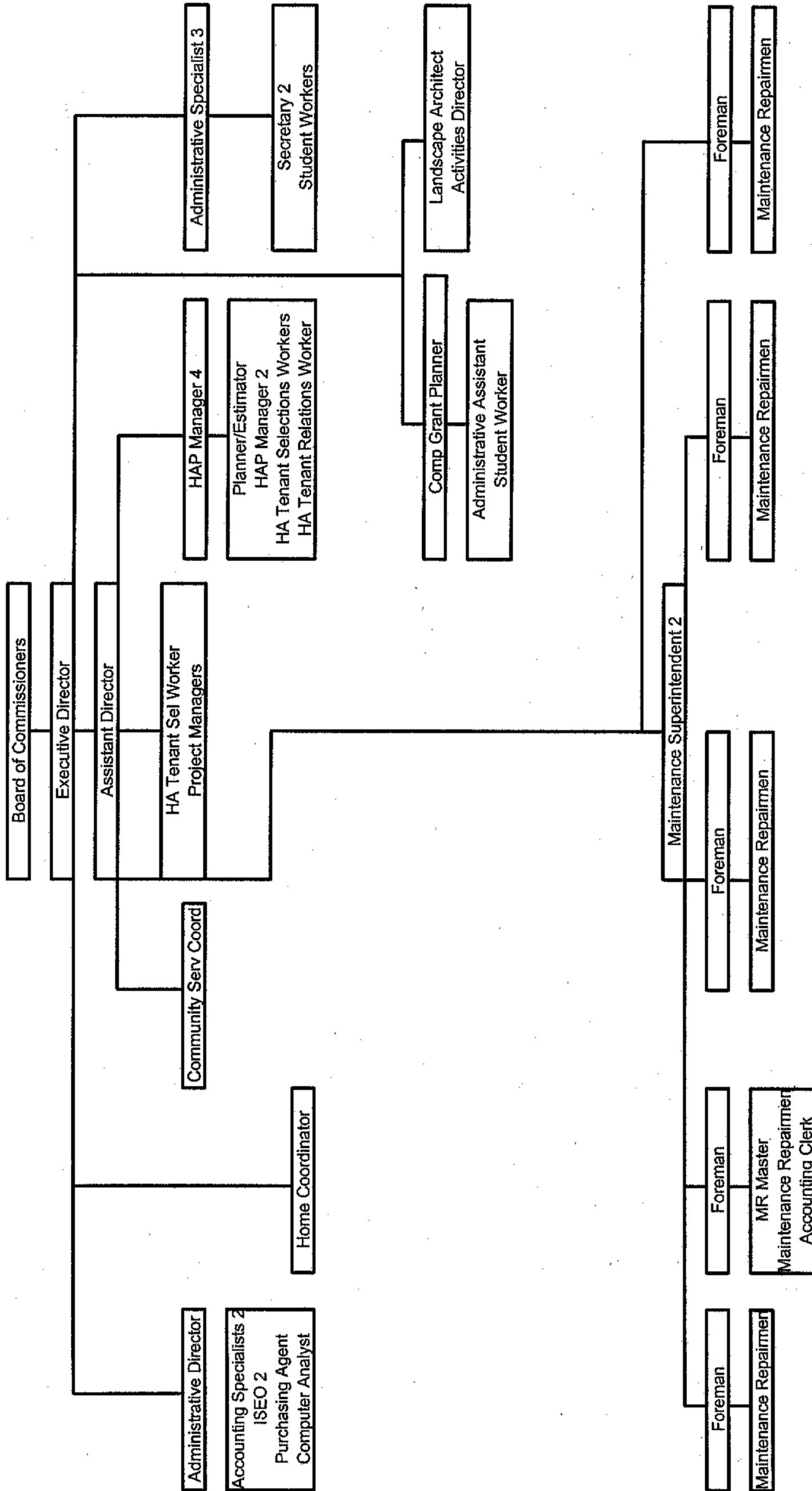
President

Executive Director

HOUSING AUTHORITY OF THE CITY OF MONROE

Organizational Chart

Administrative Office



**Housing Authority of the City of Monroe
Appointed Officials
Board of Commissioners**

Dr. Henry Bonner, Jr., Chairman

Mr. Edward L. Miller, Vice Chairman

Mr. Joseph Miller

Mr. Van Pardue

Ms. Roxie Jackson

Selected Administrative Officials

Frank L. Wilcox

Executive Director

Willie Haynes, Jr.

Assistant Director

Janet Sanderford

Administrative Director

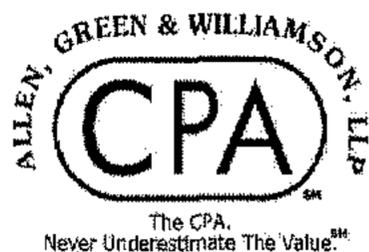
Marieanne Hereford

Comp Grant Planner

Vickie C. Hunter

Housing Assistance Payments Manager

FINANCIAL SECTION



ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 6075

Monroe, LA 71211-6075

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Monroe, LA 71201

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Tim Green, CPA

Margie Williamson, CPA

Ernest L. Allen, CPA
(Retired)
1963 - 2000

INDEPENDENT AUDITORS' REPORT

Board Members
Housing Authority of the City of Monroe
Monroe, Louisiana

We have audited the accompanying basic financial statements of the Housing Authority of the City of Monroe as of and for the year ended June 30, 2002, as listed in the table of contents. These basic financial statements are the responsibility of the Housing Authority's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Housing Authority as of June 30, 2002, and the results of its operations and its cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued under separate cover, our report dated August 22, 2002, on our consideration of the Housing Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information, and accordingly, express no opinion on it.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of the Housing Authority taken as a whole. The accompanying information identified in the table of contents as supplemental information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The information identified in the table of contents as the introductory section, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Housing Authority. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Allen, Green + Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana

August 22, 2002

REQUIRED SUPPLEMENTAL INFORMATION
MANAGEMENT'S DISCUSSION
AND ANALYSIS (MD&A)

Housing Authority of the City of Monroe

Management's Discussion and Analysis (MD&A)

June 30, 2002

As management of the Housing Authority, we offer readers of the Housing Authority's financial statements this narrative overview and analysis of the financial activities of the Housing Authority for the fiscal year ended June 30, 2002. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-iv of this report. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

FINANCIAL HIGHLIGHTS

- The assets of the Housing Authority exceeded its liabilities at the close of the most recent fiscal year by \$34,187 (*net assets*). Of this amount, \$5,214 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The Housing Authority's total net assets increased by \$3,334. This increase is attributable in large part to \$5,366 capital contribution from the U. S. Department of Housing and Urban Development.
- As of the close of the current fiscal year, the Housing Authority's enterprise funds reported combined ending net assets of \$34,187, an increase of \$3,334 in comparison with the prior year. Approximately 16 percent of this total amount is *available for spending* at the Housing Authority's discretion (*unrestricted net assets*).
- At the end of the current fiscal year, unrestricted net assets for the general fund was \$2,803, or 39 percent of total general fund operating expenses.
- The Housing Authority continues to operate without the need for debt borrowings during the current fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS This discussion and analysis are intended to serve as an introduction to the Housing Authority's basic financial statements. The Housing Authority's basic financial statements comprise two components: 1) fund financial statements, and 2) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. The Housing Authority is a special-purpose government engaged only in business-type activities. Accordingly, only fund financial statements are presented as the basic financial statements.

FUND FINANCIAL STATEMENTS A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Housing Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Housing Authority are reported as proprietary funds.

USING THIS ANNUAL REPORT

The Housing Authority's annual report consist of financial statements that show information about the Housing Authority's most significant funds – such as the Housing Authority's general fund, tenant-based Section 8 fund, other enterprise funds and its component unit.

Housing Authority of the City of Monroe

Management's Discussion and Analysis (MD&A)
June 30, 2002

| |
|--|
| Comprehensive Annual Financial Report |
| <u>Introductory Section</u> Transmittal Letter Certificate of Excellence in Financial Reporting Organizational Chart Appointed Officials and Selected Administrative Officials |
| <u>Financial Section</u> (Details outlined in the next chart) |
| <u>Statistical Section</u> Ten Years of Historical Financial Operating Data Ten Years of Fund Balances/Equity for Owned Property Occupancy Ratios by Program Property Characteristics and Dwelling Unit Composition Public Housing Management Assessment Program Scores |
| (Refer to the Table of Contents in the front of this report for more details and the specific location of items identified above) |

Financial Section

Required Supplemental Information
Management's Discussion & Analysis (MD&A)

Basic Financial Statements

**Fund
Financial Statements**

Notes to the Basic Financial Statements

Supplemental Information
Nonmajor Funds Combining Statements
Schedule of Compensation Paid Board Members
Cost Certificates
Financial Data Schedule

Housing Authority of the City of Monroe

Management's Discussion and Analysis (MD&A)

June 30, 2002

Our auditors have provided assurance in their independent auditors' report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. Varying degrees of assurance are being provided by the auditors regarding the other information included in this report. A user of this report should read the independent auditors' report carefully to ascertain the level of assurance being provided for each of the other parts of this report.

The Introductory Section and the Statistical Section was prepared by the Housing Authority without association by the independent auditors. Accordingly, the Housing Authority assumes full responsibility for the accuracy of these two sections.

Reporting the Housing Authority's Most Significant Funds

The Housing Authority's financial statements provide detailed information about the most significant funds. Some funds are required to be established by the Department of Housing and Urban Development (HUD). However, the Housing Authority establishes other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using grants and other money. The Housing Authority's enterprise funds use the following accounting approach:

Proprietary funds – All of the Housing Authority's services are reported in enterprise funds. They are reported using the full accrual method of accounting in which all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The focus of proprietary funds is on income measurement, which, together with the maintenance of equity, is an important financial indication.

FINANCIAL ANALYSIS

The Housing Authority's net assets were \$34.2 million at June 30, 2002. Of this amount, \$5.2 million was unrestricted. Restricted net assets are reported separately to show legal constraints from debt covenants and enabling legislation that limits the Housing Authority's ability to use those net assets for day-to-day operations.

As we noted earlier, the Housing Authority uses funds to help it control and manage money for particular purposes. The general fund is used to account for the public housing, drug elimination, comprehensive grant and economic development programs. The Section 8 voucher program is accounted for in the tenant-based Section 8 fund. The Section 8 new construction and management fees earned on properties managed by the Housing Authority are accounted for in separate funds. Our analysis below focuses on the net assets and the change in net assets of the primary government as a whole.

Housing Authority of the City of Monroe

Management's Discussion and Analysis (MD&A)
June 30, 2002

Table 1
Net Assets
(in thousands)

| | <u>June 30, 2002</u> | <u>June 30, 2001</u> |
|--|----------------------|----------------------|
| Current assets | \$ 7,509 | \$ 6,829 |
| Restricted assets | 189 | 318 |
| Capital assets, net | <u>28,973</u> | <u>25,854</u> |
| Total assets | <u>36,671</u> | <u>33,001</u> |
| Current liabilities | 1,627 | 1,388 |
| Current liabilities payable from current restricted assets | 189 | 153 |
| Long-term liabilities | <u>668</u> | <u>607</u> |
| Total liabilities | <u>2,484</u> | <u>2,148</u> |
| Net assets | 28,973 | 25,854 |
| Invested in capital assets, net of related debt | 0 | 165 |
| Restricted | <u>5,214</u> | <u>4,834</u> |
| Unrestricted | <u>\$34,187</u> | <u>\$30,853</u> |
| Total net assets | | |

Table 2
Changes in Net Assets
(in thousands)

| | <u>June 30, 2002</u> | <u>June 30, 2001</u> |
|-------------------------------------|----------------------|----------------------|
| Revenues/capital contributions: | | |
| Operating revenues | \$ 2,636 | \$ 2,711 |
| Rental and other | | |
| Nonoperating revenues | 266 | 300 |
| Interest earnings | 8,556 | 6,593 |
| Federal grants | <u>5,366</u> | <u>3,652</u> |
| Capital contributions | <u>16,824</u> | <u>13,256</u> |
| Total revenues | | |
| Expenses: | | |
| Operating expenses | 1,953 | 2,241 |
| Administration | 1,132 | 628 |
| Tenant services | 272 | 376 |
| Utilities | 1,716 | 1,681 |
| Ordinary maintenance and operations | 311 | 54 |
| Protective services | 520 | 508 |
| General expenses | 40 | 45 |
| Nonroutine maintenance | 5,558 | 4,498 |
| Housing assistance payments | <u>1,988</u> | <u>1,878</u> |
| Depreciation | <u>13,490</u> | <u>11,909</u> |
| Total expenses | <u>\$ 3,334</u> | <u>\$ 1,347</u> |
| Increase (decrease) in net assets | | |

Housing Authority of the City of Monroe

Management's Discussion and Analysis (MD&A) June 30, 2002

Total revenues increased by \$3,568 due primarily to increase in capital contribution of more than \$1,714 in the fiscal year ended June 30, 2002 for the capital fund program. The Housing Authority received a grant for the TANF program for June 30, 2002, which resulted in an increase in revenues of \$820. The operating subsidy for public housing increased \$154. Section 8 earned contributions increased \$1,072.

Total operating expenses increased \$1,581 due to the TANF grant, \$820 and an increase in housing assistance payments of \$1,061.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2002, the Housing Authority had \$28,973 invested in a broad range of capital assets, including land, buildings, and furniture and equipment. This amount represents a net increase (including additions, deductions and depreciation) of \$3,121, or 12 percent, from last year.

Capital Assets at Year-end (in thousands)

| | <u>Governmental Activities</u> | |
|--------------------------|--------------------------------|-----------------|
| | <u>2002</u> | <u>2001</u> |
| Land | \$ 2,007 | \$ 2,001 |
| Site improvements | 1,582 | 1,751 |
| Buildings | 19,185 | 20,760 |
| Furniture and equipment | 672 | 674 |
| Construction in progress | <u>5,527</u> | <u>668</u> |
| Totals | <u>\$28,973</u> | <u>\$25,854</u> |

This year's additions of \$5,109 are mainly the result of the renovation work at Burg Jones Lane and at Robinson Place paid for by the federal and capital fund program. No debt was issued for these additions.

Major capital projects are planned for the 2002-2003 fiscal year at Foster Heights. We anticipate capital additions will be comparable to the 2001-2002 fiscal year. We present more detailed information about our capital assets in the note to the financial statements.

Debt

Our long-term debt includes accrued annual and sick leave. We present more detail about our long-term liabilities in the notes to the financial statements.

Housing Authority of the City of Monroe

Management's Discussion and Analysis (MD&A) June 30, 2002

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Housing Authority is primarily dependent upon HUD for the funding of operations; therefore, the Housing Authority is affected more by the Federal budget than by local economic conditions. The budgets for 2002-2003 have already been approved by HUD and no major changes are expected.

The comprehensive grant and drug elimination programs are multiple year budgets and have remained relatively stable. Comprehensive grants are used for the modernization of public housing properties including administrative fees involved in the modernization. Drug elimination funds are used to pay for drug elimination initiatives.

CONTACTING THE HOUSING AUTHORITY'S FINANCIAL MANAGEMENT

Our financial report is designed to provide our citizens and investors and creditors with a general overview of the Housing Authority's finances and to show the Housing Authority's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Janet Sanderford, Administrative Director, at the Housing Authority of the City of Monroe, 300 Harrison Street, Monroe, Louisiana 71201, telephone number (318) 388-1500.

BASIC FINANCIAL STATEMENTS

HOUSING AUTHORITY OF THE CITY OF MONROE

**ENTERPRISE FUNDS
Balance Sheet
June 30, 2002**

Statement A

| | <u>GENERAL</u> | <u>TENANT BASED SECTION 8</u> | <u>OTHER ENTERPRISE</u> | <u>TOTAL PRIMARY GOVERNMENT</u> | <u>COMPONENT UNIT HOMEOWNERSHIP</u> |
|----------------------------------|----------------------|---------------------------------------|-----------------------------|---|---|
| ASSETS | | | | | |
| Current Assets | | | | | |
| Cash and cash equivalents | \$ 510 | \$ 20,815 | \$ 162,974 | \$ 184,299 | \$ 283,141 |
| Investments | 3,587,632 | 238,450 | 862,493 | 4,688,575 | 0 |
| Notes receivable | 0 | 361,080 | 0 | 361,080 | 0 |
| Accounts receivable, net | 1,133,385 | 26,600 | 4,016 | 1,164,001 | 44,528 |
| Interfund receivable | 0 | 361,933 | 363,919 | 725,852 | 0 |
| Prepaid items and other assets | 242,404 | 12,980 | 0 | 255,384 | 0 |
| Inventory | 130,289 | 0 | 0 | 130,289 | 0 |
| Total Current Assets | 5,094,220 | 1,021,858 | 1,393,402 | 7,509,480 | 327,669 |
| Restricted Assets | | | | | |
| Investments | 105,121 | 83,689 | 0 | 188,810 | 0 |
| Capital Assets, net | | | | | |
| Land | 2,006,932 | 0 | 0 | 2,006,932 | 0 |
| Buildings, and equipment (net) | 26,961,239 | 4,421 | 0 | 26,965,660 | 0 |
| Total Capital Assets, net | 28,968,171 | 4,421 | 0 | 28,972,592 | 0 |
| TOTAL ASSETS | \$ 34,167,512 | \$ 1,109,968 | \$ 1,393,402 | \$ 36,670,882 | \$ 327,669 |

(CONTINUED)

HOUSING AUTHORITY OF THE CITY OF MONROE

ENTERPRISE FUNDS

Balance Sheet

June 30, 2002

Statement A

| | <u>GENERAL</u> | <u>TENANT BASED SECTION 8</u> | <u>OTHER ENTERPRISE</u> | <u>TOTAL PRIMARY GOVERNMENT</u> | <u>COMPONENT UNIT HOMEOWNERSHIP</u> |
|---|----------------------|---------------------------------------|-----------------------------|---|---|
| LIABILITIES | | | | | |
| Current Liabilities | | | | | |
| Accounts payable | \$ 583,687 | \$ 3,726 | \$ 0 | \$ 587,413 | \$ 114 |
| Interfund payable | 725,852 | 0 | 0 | 725,852 | 0 |
| Accrued liabilities | 231,246 | 0 | 0 | 231,246 | 0 |
| Deferred revenues | 6,694 | 0 | 0 | 6,694 | 0 |
| Current portion of long term debt | 75,676 | 0 | 0 | 75,676 | 0 |
| Total Current Liabilities | 1,623,155 | 3,726 | 0 | 1,626,881 | 114 |
| Current Liabilities Payable From Current Restricted Assets | | | | | |
| Deposits due others | 105,121 | 83,689 | 0 | 188,810 | 0 |
| Noncurrent Liabilities | | | | | |
| Compensated absences payable | 668,340 | 0 | 0 | 668,340 | 0 |
| Total Liabilities | 2,396,616 | 87,415 | 0 | 2,484,031 | 114 |
| NET ASSETS | | | | | |
| Invested in capital assets, net of related debt | | | | | |
| Restricted | 0 | 0 | 0 | 0 | 0 |
| Unrestricted | 2,802,725 | 1,018,132 | 1,393,402 | 5,214,259 | 327,555 |
| NET ASSETS | 31,770,896 | 1,022,553 | 1,393,402 | 34,186,851 | 327,555 |
| TOTAL LIABILITIES AND NET ASSETS | \$ 34,167,512 | \$ 1,109,968 | \$ 1,393,402 | \$ 36,670,882 | \$ 327,669 |

(CONCLUDED)

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

HOUSING AUTHORITY OF THE CITY OF MONROE

ENTERPRISE FUNDS
Statement of Revenues, Expenses, and Changes in Fund Net Assets
For the Year Ended June 30, 2002

Statement B

| | <u>GENERAL</u> | <u>TENANT BASED SECTION 8</u> | <u>OTHER ENTERPRISE</u> | <u>TOTAL PRIMARY GOVERNMENT</u> | <u>COMPONENT UNIT HOMEOWNERSHIP</u> |
|---|----------------------|---------------------------------------|-----------------------------|---|---|
| OPERATING REVENUES | | | | | |
| Dwelling rental | \$ 2,287,079 | \$ 0 | \$ 0 | \$ 2,287,079 | \$ 0 |
| Other | 242,023 | 0 | 106,788 | 348,811 | 227,150 |
| Total operating revenues | 2,529,102 | 0 | 106,788 | 2,635,890 | 227,150 |
| OPERATING EXPENSES | | | | | |
| Administration | 1,363,800 | 524,123 | 64,526 | 1,952,449 | 24,272 |
| Tenant services | 1,131,795 | 0 | 0 | 1,131,795 | 0 |
| Utilities | 272,370 | 0 | 0 | 272,370 | 0 |
| Ordinary maintenance & operations | 1,714,052 | 2,286 | 0 | 1,716,338 | 0 |
| Protective services | 310,812 | 0 | 0 | 310,812 | 0 |
| General expenses | 503,551 | 16,463 | 0 | 520,014 | 0 |
| Nonroutine maintenance | 39,776 | 0 | 0 | 39,776 | 0 |
| Housing assistance payments | 0 | 5,111,032 | 447,007 | 5,558,039 | 0 |
| Homeownership | 0 | 0 | 0 | 0 | 337,637 |
| Depreciation | 1,987,358 | 697 | 0 | 1,988,055 | 0 |
| Total operating expenses | 7,323,514 | 5,654,601 | 511,533 | 13,489,648 | 361,909 |
| Income (loss) from Operations | (4,794,412) | (5,654,601) | (404,745) | (10,853,758) | (134,759) |
| Nonoperating revenues (expenses) | | | | | |
| Interest earnings | 172,241 | 18,712 | 74,733 | 265,686 | 0 |
| Federal grants | 2,345,945 | 5,745,655 | 464,187 | 8,555,787 | 71,180 |
| Total nonoperating revenues (expenses) | 2,518,186 | 5,764,367 | 538,920 | 8,821,473 | 71,180 |
| NET INCOME (Loss) before Contributions and Transfers | (2,276,226) | 109,766 | 134,175 | (2,032,285) | (63,579) |
| Capital contributions | 5,366,150 | 0 | 0 | 5,366,150 | 0 |
| Transfers | 0 | 0 | 0 | 0 | 0 |
| Change in net assets | 3,089,924 | 109,766 | 134,175 | 3,333,865 | (63,579) |
| NET ASSETS AT BEGINNING OF YEAR | 28,680,972 | 912,787 | 1,259,227 | 30,852,986 | 391,134 |
| NET ASSETS AT END OF YEAR | \$ 31,770,896 | \$ 1,022,553 | \$ 1,393,402 | \$ 34,186,851 | \$ 327,555 |

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

HOUSING AUTHORITY OF THE CITY OF MONROE

**ENTERPRISE FUNDS
Statement of Cash Flows
For the Year Ended June 30, 2002**

Statement C

| | <u>GENERAL</u> | <u>TENANT BASED SECTION 8</u> | <u>OTHER ENTERPRISE</u> | <u>TOTAL PRIMARY GOVERNMENT</u> | <u>COMPONENT UNIT HOMEOWNERSHIP</u> |
|---|--------------------|---------------------------------------|-----------------------------|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | |
| Rental receipts | \$ 2,272,673 | \$ 0 | \$ 0 | \$ 2,272,673 | \$ 0 |
| Other receipts | 198,059 | 0 | 22,521 | 220,580 | 227,150 |
| Payments to vendors | (3,200,237) | (561,467) | (89,700) | (3,851,404) | (362,795) |
| Payments to employees | (2,006,297) | (396,109) | (3,175) | (2,405,581) | 0 |
| Other receipts (payments) | 200,488 | 0 | 0 | 200,488 | 0 |
| Payments to private landlords | 0 | (5,066,464) | (447,007) | (5,513,471) | 0 |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | <u>(2,535,314)</u> | <u>(6,024,040)</u> | <u>(517,361)</u> | <u>(9,076,715)</u> | <u>(135,645)</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | | |
| Transfers | 0 | 0 | 0 | 0 | 0 |
| Federal grants | 2,166,357 | 5,178,259 | 439,261 | 7,783,877 | 75,248 |
| NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES | <u>2,166,357</u> | <u>5,178,259</u> | <u>439,261</u> | <u>7,783,877</u> | <u>75,248</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | |
| Purchase fixed assets | (4,540,837) | (3,103) | 0 | (4,543,940) | 0 |
| Contributed capital | 4,869,332 | 0 | 0 | 4,869,332 | 0 |
| NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES | <u>\$ 328,495</u> | <u>\$ (3,103)</u> | <u>\$ 0</u> | <u>\$ 325,392</u> | <u>\$ 0</u> |

(CONTINUED)

HOUSING AUTHORITY OF THE CITY OF MONROE

**ENTERPRISE FUNDS
Statement of Cash Flows
For the Year Ended June 30, 2002**

Statement C

| | <u>GENERAL</u> | <u>TENANT BASED SECTION 8</u> | <u>OTHER ENTERPRISE</u> | <u>TOTAL PRIMARY GOVERNMENT</u> | <u>COMPONENT UNIT HOMEOWNERSHIP</u> |
|--|-----------------------|---------------------------------------|-----------------------------|---|---|
| CASH FLOW FROM INVESTING ACTIVITIES: | | | | | |
| Proceeds from sales and maturities | | | | | |
| of investments | \$ 3,366,885 | \$ 0 | \$ 797,674 | \$ 4,164,559 | \$ 0 |
| Interest and dividends | 177,860 | 19,952 | 71,336 | 269,148 | |
| Purchase investments | <u>(3,538,208)</u> | <u>0</u> | <u>(850,440)</u> | <u>(4,388,648)</u> | <u>0</u> |
| NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES | <u>6,537</u> | <u>19,952</u> | <u>18,570</u> | <u>45,059</u> | <u>0</u> |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | <u>(33,925)</u> | <u>(828,932)</u> | <u>(59,530)</u> | <u>(922,387)</u> | <u>(60,397)</u> |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | <u>34,435</u> | <u>849,747</u> | <u>222,504</u> | <u>1,106,686</u> | <u>343,538</u> |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | <u>510</u> | <u>20,815</u> | <u>162,974</u> | <u>184,299</u> | <u>283,141</u> |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | | | | | |
| Operating income (loss) | (4,794,412) | (5,654,601) | (404,745) | (10,853,758) | (134,759) |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities: | | | | | |
| Depreciation expense | 1,987,358 | 697 | 0 | 1,988,055 | 0 |
| Change in assets and liabilities: | | | | | |
| Receivables, net | (50,628) | 0 | (84,267) | (134,895) | 0 |
| Due from other funds | 0 | (361,933) | 0 | (361,933) | |
| Inventories | (4,106) | 0 | 0 | (4,106) | 0 |
| Prepaid items | (50,390) | (6,609) | 0 | (56,999) | 0 |
| Accounts payables | (95,807) | (1,594) | (28,349) | (125,750) | (886) |
| Accrued expenses | 75,425 | 0 | 0 | 75,425 | 0 |
| Due to other funds | <u>397,246</u> | <u>0</u> | <u>0</u> | <u>397,246</u> | <u>0</u> |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | <u>\$ (2,535,314)</u> | <u>\$ (6,024,040)</u> | <u>\$ (517,361)</u> | <u>\$ (9,076,715)</u> | <u>\$ (135,645)</u> |

(CONCLUDED)

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

Housing Authority of the City of Monroe
Notes to the Basic Financial Statements

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Housing Authority of the City of Monroe
Notes to the Basic Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES The accompanying financial statements of the Housing Authority have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. REPORTING ENTITY Housing Authorities are chartered as public corporations under the laws (LSA-R.S. 40:391) of the state of Louisiana for the purpose of providing safe and sanitary dwellings accommodations. This creation was contingent upon the local governing body of the city or parish declaring a need for the Housing Authority to function in such city or parish. The Housing Authority is governed by a five member Board of Commissioners. The members, appointed by the Honorable Mayor of the City of Monroe, serve a staggered term of four years.

The Housing Authority has the following units:

| | | |
|---|--------------|-------|
| PHA Owned Housing | FW 2006 | 1,522 |
| Section 8 | | |
| Rental Vouchers | FW 2072 (VO) | 1,389 |
| Contract Administrator | | |
| Section 8 New Construction | FW 2170 | 99 |
| Managing Agent (Section 202 Elderly Housing Projects) | | |
| Ouachita Grand Plaza, Inc. | | 91 |
| Passman Plaza, Inc. | | 41 |
| Passman Plaza II, Inc. | | 39 |
| Claiborne Creek Apartments, LLP | | 72 |
| Claiborne Creek II, LLP | | 60 |
| Chauvin Pointe | | 74 |
| South Pointe | | 36 |

GASB Statement 14 establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Housing Authority is considered a *primary government*, since it is a special purpose government that has a separate governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement 14, fiscally independent means that the Housing Authority may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt.

The Housing Authority is a related organization of the City of Monroe since the City of Monroe appoints a voting majority of the Housing Authority's governing board. The City of Monroe is not financially accountable for the Housing Authority as it cannot impose its will on the Housing Authority and there is no potential for the Housing Authority to provide financial benefit to, or impose financial burdens on, the City of Monroe. Accordingly, the Housing Authority is not a component unit of the financial reporting entity of the City of Monroe.

Governmental Accounting Standards Board (GASB) Codification Section 2100 establishes criteria for determining which, if any, component units should be considered part of the Housing Authority for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability, which includes:

Housing Authority of the City of Monroe
Notes to the Basic Financial Statements

1. Appointing a voting majority of an organization's governing body, and:
 - a. The ability of the government to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the government.
2. Organizations for which the government does not appoint a voting majority but are fiscally dependent on the government.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the previous criteria, the Housing Authority has determined that the following component unit should be considered as part of the Housing Authority reporting entity.

Monroe Affordable Homeownership Community Housing Development Organization, Inc., (Homeownership) is a legally separate entity. The City of Monroe appointed the initial members. The Housing Authority can, to a limited degree, impose its will on Homeownership, and the Housing Authority provides office space, and some furnishings to Homeownership. Also, the Housing Authority provided initial funding for start up cost. Homeownership provides no direct services to the Housing Authority. Based on the above, it has been determined that Homeownership is a component unit of the Housing Authority and should be included in the Housing Authority's financial statements through discrete presentation. The separate financial statements of Homeownership can be obtained from the Housing Authority of the City of Monroe, 300 Harrison Street, Monroe, Louisiana 71201, telephone (318)388-1500.

B. FUNDS The accounts of the Housing Authority are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

All funds of the Housing Authority are classified as proprietary. The general fund accounts for the transactions of the public housing low rent program, the drug elimination program, the comprehensive grant program and the economic development program. The tenant based Section 8 fund accounts for the tenant based Section 8 programs. The other enterprise fund accounts for the activity of the Section 8 - New Construction Program for which the Housing Authority is the contract administrator and the Section 202 Elderly Housing Project for which the Housing Authority is the managing agent.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Proprietary Funds Proprietary funds are accounted for on the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The Housing Authority has elected, pursuant to GASB Statement No. 20, to apply all GASB pronouncements and only FASB pronouncements issued before November 30, 1989.

Housing Authority of the City of Monroe
Notes to the Basic Financial Statements

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary funds' principal ongoing operations. The principal operating revenues of the Housing Authority's funds are rent and maintenance charges to residents and administration fees earned. Operating expenses for proprietary funds include the administrative costs of providing the service and the housing assistance payments to residents. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. CASH AND CASH EQUIVALENTS Cash includes amounts in demand deposits and interest-bearing demand deposits. Cash equivalents include amounts in time deposits and cash with fiscal agent. Under state law, the Housing Authority may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

E. INVESTMENTS Investments are limited by LSA-R.S. 33:2955 and the Housing Authority's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

The investments are reflected at fair value except for the following which are required/permitted as per GASB Statement No. 31:

1. Investments in *nonparticipating* interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.
2. The Housing Authority reported at amortized cost money market investments and *participating* interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less.

Definitions:

Interest-earning investment contract include time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts.

Money market investments are short-term, highly liquid debt instruments that include U. S. Treasury obligations.

F. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES During the course of operations, numerous transactions occur between individual funds for services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

G. INVENTORY All purchased inventory items are valued at cost using first-in, first-out method. Acquisition of materials and supplies are accounted for on the consumption method, that is, the expenses are charged when the items are consumed.

H. PREPAID ITEMS Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Housing Authority of the City of Monroe
Notes to the Basic Financial Statements

I. CAPITAL ASSETS Capital assets are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). The capitalization threshold is \$500. Donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Vehicles and trailers are assigned a salvage value of five percent of historical costs. Straight line depreciation is used based on the following estimated useful lives:

| | |
|-------------------------|---------------|
| Site improvements | 15 years |
| Buildings | 15 - 40 years |
| Furniture and equipment | 5 - 7 years |

J. DEFERRED REVENUES The Housing Authority reports deferred revenues on its balance sheet. Deferred revenues arise when resources are received by the Housing Authority before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when the Housing Authority has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and the revenue is recognized.

K. COMPENSATED ABSENCES The Housing Authority follows Louisiana Civil Service regulations for accumulated annual and sick leave. Employees may accumulate up to three hundred hours of annual leave which may be received upon termination or retirement. Sick leave hours accumulate, but the employee is not paid for them if not used by his/her retirement or termination date. The Board may approve payment of one-half of sick leave if the employee has been with the Housing Authority for ten years and is 55 years of age.

L. RESTRICTED NET ASSETS Net assets are reported as restricted when constraints placed on net asset use are either:

Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Restricted resources are used first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

M. INTERFUND ACTIVITY Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate. Services provided, deemed to be at market or near market rates, are treated as revenues and expenses.

All other interfund transfers are reported as operating transfers. Reimbursements are when one fund incurs a cost, charges the appropriate benefitting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

N. USE OF ESTIMATES The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues, expenses and other financing sources and uses during the reporting period. Actual results could differ from those estimates.

Housing Authority of the City of Monroe
Notes to the Basic Financial Statements

NOTE 2 - DEPOSITS AND INVESTMENTS Deposits are stated at cost, which approximates fair value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The fair value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At year-end, the Housing Authority's carrying amount of deposits was \$558,525 (which includes \$184,299 cash and cash equivalents, \$83,689 tenant based Section 8 restricted asset, \$126,037 management fees investment in a demand deposit, \$165,000 of time deposits, less \$500 petty cash) and the bank balance was \$898,449. Of the bank balance, \$200,000 was covered by federal depository insurance or by collateral held by the Housing Authority's agent in the Housing Authority's name (GASB Category 1). The remainder of \$698,449 was collateralized with securities held by the pledging financial institution's trust department or agent but not in the Housing Authority's name (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Housing Authority that the fiscal agent has failed to pay deposited funds upon demand.

Included in the time deposits above is \$188,810 restricted for tenant security deposits and family self sufficiency escrow.

The carrying amount of deposits for Homeownership, a discretely presented component unit, was \$283,141 and the bank balance was \$283,985. Of the bank balance, \$100,000 was covered by federal depository insurance or by collateral held by Homeownership's agent in Homeownership's name (GASB Category 1). \$16,610 was collateralized with securities held by the pledging financial institution's trust department or agent by not in Homeownership's name (GASB Category 3). The remaining balance of \$167,375 is not secured by the pledge of securities.

Investments are categorized into these three categories of credit risk:

1. Insured or registered, or securities held by the Housing Authority or its agent in the Housing Authority's name.
2. Uninsured and unregistered, with securities held by the counter party's trust department or agent in the Housing Authority's name.
3. Uninsured and unregistered, with securities held by the counter party, or by its trust department or agent but not in the Housing Authority's name.

At year end, the Housing Authority investment balances included the following:

| <u>Type of investment</u> | <u>Category 1</u> | <u>Carrying Amount Fair Value</u> |
|---------------------------|--------------------|---------------------------------------|
| U. S. Treasury Securities | <u>\$4,502,659</u> | <u>\$4,502,659</u> |

Housing Authority of the City of Monroe
Notes to the Basic Financial Statements

NOTE 3 - NOTE RECEIVABLE The note receivable at June 30, 2002, of \$361,080 is a note from Chauvin Pointe, Inc., made to purchase a tract of land. The interest rate is 4% per annum. The Housing Authority considers the note receivable to be fully collectible; therefore, no allowance for doubtful accounts is required.

NOTE 4 - ACCOUNTS RECEIVABLE The receivables at June 30, 2002, are as follows:

| <u>Class of Receivable</u> | <u>General</u> | <u>Tenant-Based Section 8</u> | <u>Other Enterprise</u> | <u>Total</u> |
|----------------------------|--------------------|-----------------------------------|-----------------------------|--------------------|
| Local sources: | | | | |
| Tenants | \$ 29,181 | \$ 0 | \$ 0 | \$ 29,181 |
| Other | 190,022 | 26,600 | 0 | 216,622 |
| Federal sources: | | | | |
| Due from HUD | <u>914,182</u> | <u>0</u> | <u>4,016</u> | <u>918,198</u> |
| Total | <u>\$1,133,385</u> | <u>\$26,600</u> | <u>\$4,016</u> | <u>\$1,164,001</u> |

The tenants account receivable is net of an allowance for doubtful accounts of \$1,594. The accounts receivable - other are balances due from other entities the Housing Authority manages or are in development. The Housing Authority expects to collect those balances in full.

The receivable balance of \$44,528 for Homeownership, a discretely presented component unit, is a local sources receivable from other local governments.

NOTE 5 - CAPITAL ASSETS The changes in capital assets are as follows:

| | <u>Balance Beginning</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance Ending</u> |
|-------------------------------|------------------------------|--------------------|------------------|---------------------------|
| Land | \$ 2,000,932 | \$ 6,000 | \$ 0 | \$ 2,006,932 |
| Exhaustible capital assets | | | | |
| Site improvements | 5,788,429 | 0 | 0 | 5,788,429 |
| Buildings | 40,337,740 | 84,820 | 0 | 40,422,560 |
| Furniture and equipment | 1,461,213 | 159,442 | 162,940 | 1,457,715 |
| Construction in progress | <u>668,179</u> | <u>4,858,842</u> | <u>0</u> | <u>5,527,021</u> |
| Total | <u>50,256,493</u> | <u>5,109,104</u> | <u>162,940</u> | <u>55,202,657</u> |
| Less accumulated depreciation | | | | |
| Site improvements | 4,037,150 | 169,204 | 0 | 4,206,354 |
| Buildings | 19,577,404 | 1,660,104 | 0 | 21,237,508 |
| Furniture and equipment | <u>787,692</u> | <u>158,747</u> | <u>160,236</u> | <u>786,203</u> |
| Total | <u>24,402,246</u> | <u>1,988,055</u> | <u>160,236</u> | <u>26,230,065</u> |
| Capital assets, net | <u>\$25,854,247</u> | <u>\$3,121,049</u> | <u>\$ 2,704</u> | <u>\$28,972,592</u> |

NOTE 6 - RETIREMENT SYSTEM The Housing Authority participates in the Housing-Renewal and Local Agency Retirement Plan, administered by Broussard, Bush & Hurst, which is a defined contribution plan. The plan consists of employees of various local and regional housing authorities, urban renewal agencies, and other similar organizations. Through this plan, the Housing Authority provides pension benefits for all of its full-time employees. All regular and full-time employees are eligible to participate in the plan on the first day of the month after completing six months of continuous and uninterrupted employment. Plan provisions and changes to plan contributions are determined by the Board of the Housing Authority.

Housing Authority of the City of Monroe
Notes to the Basic Financial Statements

Under a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The employer is required to make monthly contributions equal to 14.0 percent of each participant's basic (excludes overtime) compensation.

The Housing Authority's contribution for each employee and income allocated to the employee's account are fully vested after five years of continuous service. Housing Authority's contributions and interest forfeited by employees who leave employment before five years of service are used to offset future contributions of the Housing Authority.

Normal retirement date shall be the first day of the month following the employee's 65th birthday or after 10 years of participation in the plan.

The Housing Authority's total payroll for year ended June 30, 2002, was \$2,260,102. The Housing Authority's contributions were calculated using the base salary amount of \$1,831,002. The Housing Authority made the required contributions of \$256,983 for the year ended June 30, 2002.

NOTE 7 - ACCOUNTS PAYABLE The payables at June 30, 2002, are as follows:

| | <u>General</u> | <u>Tenant-Based Section 8</u> | <u>Other Enterprise</u> | <u>Total</u> |
|--------------------------|------------------|-----------------------------------|-----------------------------|------------------|
| Vendors | \$350,022 | \$ 0 | \$0 | \$350,022 |
| Contract Retentions | 233,665 | 0 | 0 | 233,665 |
| Due to Other Governments | | | | |
| Payable to HUD | <u>0</u> | <u>3,726</u> | <u>0</u> | <u>3,726</u> |
| Total | <u>\$583,687</u> | <u>\$3,726</u> | <u>\$0</u> | <u>\$587,413</u> |

The accounts payable balance of \$114 for Homeownership, a discretely presented component unit, is vendor account payables.

NOTE 8 - COMPENSATED ABSENCES At June 30, 2002, employees of the Housing Authority have accumulated and vested \$744,016 of employee leave benefits, including \$52,872 of salary related benefits which was computed in accordance with GASB Codification Section C60. In the past the liability has been liquidated by the general fund.

NOTE 9 - GENERAL LONG-TERM OBLIGATIONS The following is a summary of the long-term obligation transactions for the year ended June 30, 2002:

| | |
|--------------------|------------------|
| Balance, beginning | <u>\$676,004</u> |
| Additions | 68,012 |
| Deductions | <u>0</u> |
| Balance, ending | <u>\$744,016</u> |

Housing Authority of the City of Monroe
Notes to the Basic Financial Statements

NOTE 10 - INTERFUND RECEIVABLES/PAYABLES Interfund receivables/payables at June 30, 2002, are as follows:

| <u>Receivable</u> | <u>Payable</u> | <u>Amount</u> |
|------------------------|----------------|------------------|
| Management fees | General | \$363,919 |
| Tenant Based Section 8 | General | <u>361,933</u> |
| Total | | <u>\$725,852</u> |

NOTE 11 - COMMITMENTS AND CONTINGENCIES

Litigation At June 30, 2002, the Housing Authority was involved in various litigation. It is the opinion of the legal advisor of the Housing Authority that this litigation would not have a material effect on the financial statements.

Grant Disallowances The Housing Authority participates in a number of state and federally assisted grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. Housing Authority management believes that the amount of disallowances, if any, which may arise from future audits will not be material.

Construction Projects There are certain major construction projects in progress at June 30, 2002. These include modernizing rental units at practically all of the fourteen projects. These projects are being funded by HUD. Funds are requested periodically as the cost is incurred. The outstanding construction commitment was approximately \$114,000 as of June 30, 2002.

Self-Insurance The Housing Authority is partially self-insured for workers' compensation. Claims are funded through employee contributions and operating funds of the Housing Authority. The Housing Authority maintains stop-loss coverage with an insurance company for claims in excess of \$125,000 per occurrence for each employee for workers' compensation insurance coverage. All known claims filed and an estimate of incurred but not reported claims based on experience of the Housing Authority are made and accrued as necessary in the financial statements.

NOTE 12 - RISK MANAGEMENT The Housing Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Housing Authority carries commercial insurance. The Housing Authority established a risk management program for workers' compensation insurance in 1994. Premiums are paid into the general fund by all other funds and are available to pay claims, claim reserves and administrative costs of the program. These interfund premiums are used to reduce the amount of claims expense reported in the general fund. As of June 30, 2002, such interfund premiums did not exceed reimbursable expenses. Interfund premiums are based primarily upon the individual funds' payroll and are reported as expenses in the individual funds.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. An excess coverage insurance policy covers individual claims in excess of \$125,000. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs and other economic and social factors. Changes in the balances of claims liabilities during the past year are as follows:

Housing Authority of the City of Monroe
Notes to the Basic Financial Statements

| | <u>2001-2002</u> | <u>2000-2001</u> |
|-----------------------------------|------------------|------------------|
| Unpaid claims, beginning | \$ 5,217 | \$ 7,087 |
| Incurred claims (including IBNRs) | 39,433 | 12,285 |
| Claim payments | <u>(12,873)</u> | <u>(14,155)</u> |
| Unpaid claims, ending | <u>\$ 31,777</u> | <u>\$ 5,217</u> |

The amount of unpaid claims does not include incremental costs.

The Housing Authority continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Housing Authority of the City of Monroe
Nonmajor Enterprise Funds

MANAGEMENT FEES This fund represents management fees earned as contract administrator for a Section 8 New Construction program and as managing agent for two Section 202 Elderly Projects.

SECTION 8 - NEW CONSTRUCTION Provides housing assistance payments to participating owners on behalf of eligible tenants to provide decent, safe and sanitary housing for very low-income families at rents they can afford. Housing assistance payments are used to make up the difference between the approved rent due to the owner for the dwelling unit and the occupant family's required contribution towards rent.

HOUSING AUTHORITY OF THE CITY OF MONROE

NONMAJOR ENTERPRISE FUNDS
 Combining Balance Sheet
 June 30, 2002

Exhibit 1

| | MANAGEMENT FEES | SECTION 8 NEW CONSTRUCTION | TOTAL NONMAJOR FUNDS |
|---|---------------------|----------------------------------|----------------------------|
| ASSETS | | | |
| Current Assets | | | |
| Cash and cash equivalents | \$ 19,401 | \$ 143,573 | \$ 162,974 |
| Investments | 729,514 | 132,979 | 862,493 |
| Accounts receivable, net | 0 | 4,016 | 4,016 |
| Interfund receivable | 363,919 | 0 | 363,919 |
| Total Current Assets | <u>1,112,834</u> | <u>280,568</u> | <u>1,393,402</u> |
| TOTAL ASSETS | <u>1,112,834</u> | <u>280,568</u> | <u>1,393,402</u> |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Accounts payable | 0 | 0 | 0 |
| Deferred revenues | 0 | 0 | 0 |
| Total Current Liabilities | <u>0</u> | <u>0</u> | <u>0</u> |
| Total Liabilities | <u>0</u> | <u>0</u> | <u>0</u> |
| NET ASSETS | | | |
| Unrestricted | <u>1,112,834</u> | <u>280,568</u> | <u>1,393,402</u> |
| NET ASSETS | <u>1,112,834</u> | <u>280,568</u> | <u>1,393,402</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u>\$ 1,112,834</u> | <u>\$ 280,568</u> | <u>\$ 1,393,402</u> |

HOUSING AUTHORITY OF THE CITY OF MONROE

**NONMAJOR ENTERPRISE FUNDS
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
For the Year Ended June 30, 2002**

Exhibit 2

| | <u>MANAGEMENT FEES</u> | <u>SECTION 8 NEW CONSTRUCTION</u> | <u>TOTAL NONMAJOR FUNDS</u> |
|---|----------------------------|---|-------------------------------------|
| OPERATING REVENUES | | | |
| Other | \$ 106,788 | \$ 0 | \$ 106,788 |
| Total operating revenues | <u>106,788</u> | <u>0</u> | <u>106,788</u> |
| OPERATING EXPENSES | | | |
| Administration | 59,590 | 4,936 | 64,526 |
| Housing assistance payments | <u>0</u> | <u>447,007</u> | <u>447,007</u> |
| Total operating expenses | <u>59,590</u> | <u>451,943</u> | <u>511,533</u> |
| Income (loss) from Operations | <u>47,198</u> | <u>(451,943)</u> | <u>(404,745)</u> |
| Nonoperating revenues (expenses) | | | |
| Interest earnings | 65,776 | 8,957 | 74,733 |
| Federal grants | <u>0</u> | <u>464,187</u> | <u>464,187</u> |
| Total nonoperating revenues (expenses) | <u>65,776</u> | <u>473,144</u> | <u>538,920</u> |
| NET INCOME (Loss) before Contributions and Transfers | 112,974 | 21,201 | 134,175 |
| Transfers | <u>0</u> | <u>0</u> | <u>0</u> |
| Change in net assets | 112,974 | 21,201 | 134,175 |
| NET ASSETS AT BEGINNING OF YEAR | <u>999,860</u> | <u>259,367</u> | <u>1,259,227</u> |
| NET ASSETS AT END OF YEAR | <u>\$ 1,112,834</u> | <u>\$ 280,568</u> | <u>\$ 1,393,402</u> |

HOUSING AUTHORITY OF THE CITY OF MONROE

NONMAJOR ENTERPRISE FUNDS
Combining Statement of Cash Flows
For the Year Ended June 30, 2002

Exhibit 3

| | MANAGEMENT FEES | SECTION 8 NEW CONSTRUCTION | TOTAL NONMAJOR FUNDS |
|--|--------------------|----------------------------------|----------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Other receipts | \$ 22,521 | \$ 0 | \$ 22,521 |
| Payments to vendors | (87,928) | (1,772) | (89,700) |
| Payments to employees | 0 | (3,175) | (3,175) |
| Other receipts (payments) | 0 | 0 | 0 |
| Payments to private landlords | 0 | (447,007) | (447,007) |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | <u>(65,407)</u> | <u>(451,954)</u> | <u>(517,361)</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | |
| Transfers | 0 | 0 | 0 |
| Federal grants | 0 | 439,261 | 439,261 |
| NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES | <u>0</u> | <u>439,261</u> | <u>439,261</u> |
| CASH FLOW FROM INVESTING ACTIVITIES: | | | |
| Proceeds from sales and maturities of investments | 669,939 | 127,735 | 797,674 |
| Interest and dividends | 62,227 | 9,109 | 71,336 |
| Purchase of investments | (718,578) | (131,862) | (850,440) |
| NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES | <u>13,588</u> | <u>4,982</u> | <u>18,570</u> |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | <u>(51,819)</u> | <u>(7,711)</u> | <u>(59,530)</u> |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | <u>71,220</u> | <u>151,284</u> | <u>222,504</u> |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | <u>\$ 19,401</u> | <u>\$ 143,573</u> | <u>\$ 162,974</u> |

(CONTINUED)

HOUSING AUTHORITY OF THE CITY OF MONROE

NONMAJOR ENTERPRISE FUNDS
Combining Statement of Cash Flows
For the Year Ended June 30, 2002

Exhibit 3

| | <u>MANAGEMENT FEES</u> | <u>SECTION 8 NEW CONSTRUCTION</u> | <u>TOTAL NONMAJOR FUNDS</u> |
|--|----------------------------|---|-------------------------------------|
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | | | |
| Operating income (loss) | \$ 47,198 | \$ (451,943) | \$ (404,745) |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities: | | | |
| Change in assets and liabilities: | | | |
| Receivables, net | (84,267) | 0 | (84,267) |
| Accounts payables | (28,338) | (11) | (28,349) |
| | <u> </u> | <u> </u> | <u> </u> |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | <u>\$ (65,407)</u> | <u>\$ (451,954)</u> | <u>\$ (517,361)</u> |

(CONCLUDED)

**Housing Authority of the City of Monroe
Schedule of Compensation Paid Board Members
For the Year Ended June 30, 2002**

Exhibit 4

The members of the Board of Commissioners serve without compensation. The members of the Board of Commissioners are as follows:

Dr. Henry Bonner, Jr., Chairman

Mr. Edward L. Miller, Vice Chairman

Mr. Joseph Miller

Mr. Van Pardue

Ms. Roxie Jackson

HOUSING AUTHORITY OF THE CITY OF MONROE

ACTUAL CAPITAL FUND
COST CERTIFICATE
June 30, 2002

Exhibit 5

1. The actual Capital Fund costs is as follows:

| | <u>PROJECT</u> <u>LA-48P00650100</u> |
|--------------------------|---|
| Funds Approved | \$ 3,125,070 |
| Funds Expended | <u>3,125,070</u> |
| Excess of Funds Approved | <u>0</u> |
| | |
| Funds Advanced | 3,125,070 |
| Funds Expended | <u>3,125,070</u> |
| Excess of Funds Advanced | <u>\$ 0</u> |

2. The distribution of costs by project as shown on the final schedule of Capital Fund expenditures dated July 22, 2002, accompanying the actual Capital Fund cost certificate submitted to HUD for approval is in agreement with the PHA's records.

3. All Comprehensive Grant costs have been paid and all related liabilities have been discharged through payment.

HOUSING AUTHORITY OF THE CITY OF MONROE

ACTUAL DRUG ELIMINATION GRANT
COST CERTIFICATE
June 30, 2002

Exhibit 6

1. The actual Drug Elimination Grant costs is as follows:

| | PROJECT <u>LA-48DEP0060199</u> |
|--------------------------|-----------------------------------|
| Funds Approved | \$ 334,749 |
| Funds Expended | <u>334,749</u> |
| Excess of Funds Approved | <u>0</u> |
| | |
| Funds Advanced | 334,749 |
| Funds Expended | <u>334,749</u> |
| Excess of Funds Advanced | <u>\$ 0</u> |

2. The distribution of costs as shown on the final financial status report dated July 15, 2002 submitted to HUD for approval is in agreement with the PHA's records.

3. All Drug Elimination Program costs have been paid and all related liabilities have been discharged through payment.

HOUSING AUTHORITY OF THE CITY OF MONROE

ACTUAL EDSS
COST CERTIFICATE
June 30, 2002

Exhibit 7

1. The actual EDSS costs is as follows:

| | <u>PROJECT</u> <u>LA-48EDC0060198</u> |
|--------------------------|--|
| Funds Approved | \$ 315,000 |
| Funds Expended | <u>315,000</u> |
| Excess of Funds Approved | <u>0</u> |
| | |
| Funds Advanced | 315,000 |
| Funds Expended | <u>315,000</u> |
| Excess of Funds Advanced | <u>\$ 0</u> |

2. The distribution of costs by project as shown on the financial status report of EDSS expenditures dated July 30, 2002, is in agreement with the PHA's records.

3. All EDSS costs have been paid and all related liabilities have been discharged through payment.

Housing Authority of the City of Monroe



**HOUSING AUTHORITY OF THE CITY OF MONROE
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2002**

| Line Item No. | Account Description | Business Activities | Child and Adult Care Food Program | N/C S/R Section 8 Programs | Low Rent Public Housing | Public and Indian Housing Drug Elimination Program | Section 8 Rental Voucher Program |
|---------------|--|---------------------|-----------------------------------|----------------------------|-------------------------|--|----------------------------------|
| 111 | Cash - Unrestricted | \$19,401 | \$0 | \$143,573 | \$510 | \$0 | \$20,815 |
| 100 | Total Cash | 19,401 | 0 | 143,573 | 510 | 0 | 20,815 |
| 121 | Accounts Receivable - PHA Projects | 0 | 0 | 0 | 0 | 31,586 | 26,600 |
| 122 | Accounts Receivable - HUD Other Projects | 0 | 0 | 4,016 | 0 | 0 | 0 |
| 124 | Accounts Receivable - Other Government | 0 | 0 | 0 | 0 | 0 | 0 |
| 125 | Accounts Receivable - Miscellaneous | 0 | 0 | 0 | 190,022 | 0 | 0 |
| 126 | Accounts Receivable - Tenants - Dwelling Rents | 0 | 0 | 0 | 30,775 | 0 | 0 |
| 126.1 | Allowance for Doubtful Accounts - Dwelling Rents | 0 | 0 | 0 | -1,594 | 0 | 0 |
| 126.2 | Allowance for Doubtful Accounts - Other | 0 | 0 | 0 | 0 | 0 | 0 |
| 127 | Notes, Loans, & Mortgages Receivable - Current | 0 | 0 | 0 | 0 | 0 | 361,080 |
| 120 | Total Receivables, net of allowances for doubtful accounts | 0 | 0 | 4,016 | 219,203 | 31,586 | 387,680 |
| 131 | Investments - Unrestricted | 729,514 | 0 | 132,979 | 3,587,632 | 0 | 238,450 |
| 132 | Investments Restricted | 0 | 0 | 0 | 105,121 | 0 | 83,689 |
| 142 | Prepaid Expenses and Other Assets | 0 | 0 | 0 | 242,404 | 0 | 12,980 |
| 143 | Inventories | 0 | 0 | 0 | 130,289 | 0 | 0 |
| 143.1 | Allowance for Obsolete Inventories | 0 | 0 | 0 | 0 | 0 | 0 |
| 144 | Interprogram Due From | 363,919 | 0 | 0 | 20,163 | 0 | 361,933 |
| 150 | Total Current Assets | 1,112,834 | 0 | 280,568 | 4,305,322 | 31,586 | 1,105,547 |
| 161 | Land | 0 | 0 | 0 | 2,006,932 | 0 | 0 |
| 162 | Buildings | 0 | 0 | 0 | 40,422,560 | 0 | 0 |
| 163 | Furniture, Equipment & Machinery - Dwellings | 0 | 0 | 0 | 1,218,968 | 55,187 | 0 |
| 164 | Furniture, Equipment & Machinery - Administration | 0 | 0 | 362 | 115,175 | 0 | 68,023 |
| 165 | Leasehold Improvements | 0 | 0 | 0 | 5,788,429 | 0 | 0 |
| 166 | Accumulated Depreciation | 0 | 0 | -362 | -26,160,675 | -5,426 | -63,602 |
| 167 | Construction In Progress | 0 | 0 | 0 | 0 | 0 | 0 |
| 160 | Total Fixed Assets, Net of Accumulated Depreciation | 0 | 0 | 0 | 23,391,389 | 49,761 | 4,421 |
| 180 | Total Non-Current Assets | 0 | 0 | 0 | 23,391,389 | 49,761 | 4,421 |
| 190 | Total Assets | \$1,112,834 | \$0 | \$280,568 | \$27,696,711 | \$81,347 | \$1,109,968 |

Exhibit 8

| Section 8 Rental Certificate Program | Public Housing Comp Grant Program | Economic Development and Supportive Services Program | Resident Opportunity and Supportive Services | Public Housing Capital Fund Program | Component Units | Temporary Assistance for Needy Families | Child Care and Development Block Grant | Total |
|---|---|--|--|---|--------------------|--|--|--------------|
| \$0 | \$0 | \$0 | \$0 | \$0 | \$283,141 | \$0 | \$0 | \$467,440 |
| 0 | 0 | 0 | 0 | 0 | 283,141 | 0 | 0 | 467,440 |
| 0 | 0 | 0 | 12,160 | 715,387 | 0 | 155,049 | 0 | 940,782 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4,016 |
| 0 | 0 | 0 | 0 | 0 | 44,528 | 0 | 0 | 44,528 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 190,022 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 30,775 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | -1,594 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 361,080 |
| 0 | 0 | 0 | 12,160 | 715,387 | 44,528 | 155,049 | 0 | 1,569,609 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4,688,575 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 188,810 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 255,384 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 130,289 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 746,015 |
| 0 | 0 | 0 | 12,160 | 715,387 | 327,669 | 155,049 | 0 | 8,046,122 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,006,932 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 40,422,560 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,274,155 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 183,560 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 5,788,429 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | -26,230,065 |
| 0 | 0 | 0 | 0 | 5,527,021 | 0 | 0 | 0 | 5,527,021 |
| 0 | 0 | 0 | 0 | 5,527,021 | 0 | 0 | 0 | 28,972,592 |
| 0 | 0 | 0 | 0 | 5,527,021 | 0 | 0 | 0 | 28,972,592 |
| \$0 | \$0 | \$0 | \$12,160 | \$6,242,408 | \$327,669 | \$155,049 | \$0 | \$37,018,714 |

(Continued)

**HOUSING AUTHORITY OF THE CITY OF MONROE
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2002**

| Line Item No. | Account Description | Business Activities | Child and Adult Care Food Program | N/C S/R Section 8 Programs | Low Rent Public Housing | Public and Indian Housing Drug Elimination Program | Section 8 Rental Voucher Program |
|---------------------|---|------------------------|--|----------------------------------|----------------------------|---|---|
| 312 | Accounts Payable <= 90 Days | \$0 | \$0 | \$0 | \$6,430 | \$2,482 | \$0 |
| 321 | Accrued Wage/Payroll Taxes Payable | 0 | 0 | 0 | 25,008 | 0 | 0 |
| | Accrued Compensated Absences - | | | | | | |
| 322 | Current Portion | 0 | 0 | 0 | 75,676 | 0 | 0 |
| 331 | Programs | 0 | 0 | 0 | 0 | 0 | 3,726 |
| 341 | Tenant Security Deposits | 0 | 0 | 0 | 105,121 | 0 | 0 |
| 342 | Deferred Revenues | 0 | 0 | 0 | 6,694 | 0 | 0 |
| 345 | Other Current Liabilities | 0 | 0 | 0 | 231,246 | 0 | 83,689 |
| 347 | Interprogram Due To | 0 | 0 | 0 | 363,919 | 29,104 | 0 |
| 310 | Total Current Liabilities | 0 | 0 | 0 | 814,094 | 31,586 | 87,415 |
| 354 | Current | 0 | 0 | 0 | 668,340 | 0 | 0 |
| 350 | Total Noncurrent Liabilities | 0 | 0 | 0 | 668,340 | 0 | 0 |
| 300 | Total Liabilities | 0 | 0 | 0 | 1,482,434 | 31,586 | 87,415 |
| 508 | Total Contributed Capital | 0 | 0 | 0 | 0 | 0 | 0 |
| 508.1 | Related Debt | 0 | 0 | 0 | 23,391,389 | 49,761 | 4,421 |
| 511 | Total Reserved Fund Balance | 0 | 0 | 0 | 0 | 0 | 0 |
| 511.1 | Restricted Net Assets | 0 | 0 | 0 | 0 | 0 | 0 |
| 512.1 | Unrestricted Net Assets | 1,112,834 | 0 | 280,568 | 2,822,888 | 0 | 1,018,132 |
| 513 | Total Equity/Net Assets | 1,112,834 | 0 | 280,568 | 26,214,277 | 49,761 | 1,022,553 |
| 600 | Total Liabilities and Equity/Net Assets | \$1,112,834 | \$0 | \$280,568 | \$27,696,711 | \$81,347 | \$1,109,968 |

Exhibit 8

| Section 8 Rental Certificate Program | Public Housing Comp Grant Program | Economic Development and Supportive Services Program | Resident Opportunity and Supportive Services | Public Housing Capital Fund Program | Component Units | Temporary Assistance for Needy Families | Child Care and Development Block Grant | Total |
|---|---|--|--|---|--------------------|--|--|--------------|
| \$0 | \$0 | \$0 | \$0 | \$535,564 | \$114 | \$14,203 | \$0 | \$558,793 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 25,008 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 75,676 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,726 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 105,121 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 6,694 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 314,935 |
| 0 | 0 | 0 | 12,160 | 179,823 | 0 | 140,846 | 20,163 | 746,015 |
| 0 | 0 | 0 | 12,160 | 715,387 | 114 | 155,049 | 20,163 | 1,835,968 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 668,340 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 668,340 |
| 0 | 0 | 0 | 12,160 | 715,387 | 114 | 155,049 | 20,163 | 2,504,308 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 5,527,021 | 0 | 0 | 0 | 28,972,592 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 327,555 | 0 | -20,163 | 5,541,814 |
| 0 | 0 | 0 | 0 | 5,527,021 | 327,555 | 0 | -20,163 | 34,514,406 |
| \$0 | \$0 | \$0 | \$12,160 | \$6,242,408 | \$327,669 | \$155,049 | \$0 | \$37,018,714 |

(Continued)

**HOUSING AUTHORITY OF THE CITY OF MONROE
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2002**

| Line Item No. | Account Description | Business Activities | Child and Adult Care Food Program | N/C S/R Section 8 Programs | Low Rent Public Housing | Public and Indian Housing Drug Elimination Program | Section 8 Rental Voucher Program |
|---------------|---|---------------------|-----------------------------------|----------------------------|-------------------------|--|----------------------------------|
| 703 | Net Tenant Rental Revenue | \$0 | \$0 | \$0 | \$2,287,079 | \$0 | \$0 |
| 704 | Tenant Revenue - Other | 0 | 0 | 0 | 204,245 | 0 | 0 |
| 705 | Total Tenant Revenue | 0 | 0 | 0 | 2,491,324 | 0 | 0 |
| 706 | HUD PHA Operating Grants | 0 | 0 | 464,187 | 1,109,901 | 282,137 | 5,745,655 |
| 706.1 | Capital Grants | 0 | 0 | 0 | 0 | 55,187 | 0 |
| 708 | Other Government Grants | 0 | 1,221 | 0 | 0 | 0 | 0 |
| 711 | Investment Income - Unrestricted | 65,776 | 0 | 8,957 | 167,271 | 0 | 13,847 |
| 715 | Other Revenue | 106,788 | 0 | 0 | 19,400 | 0 | 0 |
| 716 | Gain/Loss on Sale of Fixed Assets | 0 | 0 | 0 | 18,378 | 0 | 0 |
| 720 | Investment Income - Restricted | 0 | 0 | 0 | 4,970 | 0 | 4,865 |
| 700 | Total Revenue | 172,564 | 1,221 | 473,144 | 3,811,244 | 337,324 | 5,764,367 |
| 911 | Administrative Salaries | 0 | 0 | 2,327 | 526,851 | 0 | 289,461 |
| 912 | Auditing Fees | 0 | 0 | 1,000 | 8,800 | 0 | 9,300 |
| 914 | Compensated Absences | 0 | 0 | 0 | 87,687 | 0 | 0 |
| 915 | Administrative | 0 | 0 | 848 | 199,909 | 0 | 106,648 |
| 916 | Other Operating - Administrative | 59,590 | 240 | 761 | 190,267 | 0 | 118,714 |
| 922 | Relocation Costs | 0 | 0 | 0 | 0 | 0 | 0 |
| 924 | Tenant Services - Other | 0 | 252 | 0 | 38,803 | 40,701 | 0 |
| 931 | Water | 0 | 39 | 0 | 6,127 | 0 | 0 |
| 932 | Electricity | 0 | 690 | 0 | 208,506 | 0 | 0 |
| 933 | Gas | 0 | 0 | 0 | 51,716 | 0 | 0 |
| 938 | Other Utilities Expense | 0 | 0 | 0 | 3,496 | 0 | 0 |
| 941 | Ordinary Maintenance and Operations - Labor | 0 | 0 | 0 | 814,853 | 0 | 0 |
| 942 | Ordinary Maintenance and Operations - Materials and Other | 0 | 0 | 0 | 294,223 | 0 | 2,286 |
| 943 | Ordinary Maintenance and Operations - Contract Costs | 0 | 0 | 0 | 245,063 | 0 | 0 |
| 945 | Employee Benefit Contributions - Ordinary Maintenance | 0 | 0 | 0 | 359,812 | 0 | 0 |
| 951 | Protective Services - Labor | 0 | 0 | 0 | 50,293 | 0 | 0 |
| 952 | Protective Services - Other Contract Costs | 0 | 0 | 0 | 0 | 241,436 | 0 |
| 955 | Employee Benefit Contributions - Protective Services | 0 | 0 | 0 | 19,083 | 0 | 0 |
| 961 | Insurance Premiums | 0 | 0 | 0 | 286,784 | 0 | 16,463 |
| 962 | Other General Expenses | 0 | 0 | 0 | 0 | 0 | 0 |
| 963 | Payments in Lieu of Taxes | 0 | 0 | 0 | 201,469 | 0 | 0 |
| 964 | Bad Debt - Tenant Rents | 0 | 0 | 0 | 14,511 | 0 | 0 |
| 969 | Total Operating Expenses | \$59,590 | \$1,221 | \$4,936 | \$3,608,253 | \$282,137 | \$542,872 |

Exhibit 8

| Section 8 Rental Certificate Program | Public Housing Comp Grant Program | Economic Development and Supportive Services Program | Resident Opportunity and Supportive Services | Public Housing Capital Fund Program | Component Units | Temporary Assistance for Needy Families | Child Care and Development Block Grant | Total |
|---|---|--|--|---|--------------------|--|--|-------------|
| \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$2,287,079 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 204,245 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,491,324 |
| 0 | 0 | 52,014 | 22,399 | 507,308 | 71,180 | 0 | 0 | 8,254,781 |
| 0 | 0 | 0 | 0 | 4,858,842 | 0 | 0 | 0 | 4,814,029 |
| 0 | 0 | 0 | 0 | 0 | 0 | 820,364 | 2,722 | 824,307 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 255,851 |
| 0 | 0 | 0 | 0 | 0 | 227,150 | 0 | 0 | 353,338 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 18,378 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 9,835 |
| 0 | 0 | 52,014 | 22,399 | 5,366,150 | 298,330 | 820,364 | 2,722 | 17,121,843 |
| 0 | 0 | 0 | 0 | 243,747 | 0 | 0 | 0 | 1,062,386 |
| 0 | 0 | 0 | 0 | 3,880 | 0 | 0 | 0 | 22,980 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 87,687 |
| 0 | 0 | 0 | 0 | 64,780 | 0 | 0 | 0 | 372,185 |
| 0 | 0 | 0 | 0 | 37,639 | 24,272 | 0 | 0 | 431,483 |
| 0 | 0 | 0 | 0 | 102,588 | 0 | 0 | 0 | 102,588 |
| 0 | 0 | 52,014 | 22,399 | 54,674 | 0 | 820,364 | 0 | 1,029,207 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 6,166 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,560 | 210,756 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 51,716 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 236 | 3,732 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 814,853 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 101 | 296,610 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 245,063 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 359,812 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 50,293 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 241,436 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 19,083 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 787 | 304,034 |
| 0 | 0 | 0 | 0 | 0 | 337,637 | 0 | 0 | 337,637 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 201,469 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 14,511 |
| \$0 | \$0 | \$52,014 | \$22,399 | \$507,308 | \$361,909 | \$820,364 | \$2,684 | \$6,265,687 |

(Continued)

**HOUSING AUTHORITY OF THE CITY OF MONROE
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2002**

| Line Item No. | Account Description | Business Activities | Child and Adult Care Food Program | N/C S/R Section 8 Programs | Low Rent Public Housing | Public and Indian Housing Drug Elimination Program | Section 8 Rental Voucher Program |
|---------------------|--|------------------------|--|----------------------------------|----------------------------|---|---|
| 970 | Excess Operating Revenue over Operating Expenses | \$112,974 | \$0 | \$468,208 | \$202,991 | \$55,187 | \$5,221,495 |
| 971 | Extraordinary Maintenance | 0 | 0 | 0 | 39,776 | 0 | 0 |
| 973 | Housing Assistance Payments | 0 | 0 | 447,007 | 0 | 0 | 5,111,032 |
| 974 | Depreciation Expense | 0 | 0 | 0 | 1,981,932 | 5,426 | 697 |
| 900 | Total Expenses | 59,590 | 1,221 | 451,943 | 5,629,961 | 287,563 | 5,654,601 |
| 1010 | Total Other Financing Sources (Uses) | 0 | 0 | 0 | 0 | 0 | 0 |
| 1000 | Excess (Deficiency) of Operating Revenue Over (Under) Expenses | 112,974 | 0 | 21,201 | -1,818,717 | 49,761 | 109,766 |
| 1102 | Debt Principal Payments - Enterprise Funds | 0 | 0 | 0 | 0 | 0 | 0 |
| 1103 | Beginning Equity | \$999,860 | \$0 | \$259,367 | \$22,972,777 | \$0 | \$201,528 |
| 1104 | Prior Period Adjustments, Equity Transfers and Correction of Errors | 0 | 0 | 0 | 5,060,217 | 0 | 711,259 |
| 1113 | Maximum Annual Contributions Commitment (Per ACC) | 0 | 0 | 536,872 | 0 | 0 | 5,532,933 |
| 1114 | Prorata Maximum Annual Contributions Applicable to a Period of less than Twelve Months | 0 | 0 | 0 | 0 | 0 | 0 |
| 1115 | Contingency Reserve, ACC Program Reserve | 0 | 0 | 485,299 | 0 | 0 | 1,754,793 |
| 1116 | Total Annual Contributions Available | 0 | 0 | 1,022,171 | 0 | 0 | 7,287,726 |
| 1120 | Unit Months Available | 0 | 0 | 1,188 | 18,164 | 0 | 16,664 |
| 1121 | Number of Unit Months Leased | 0 | 0 | 1,149 | 16,423 | 0 | 16,067 |

Exhibit 8

| Section 8 Rental Certificate Program | Public Housing Comp Grant Program | Economic Development and Supportive Services Program | Resident Opportunity and Supportive Services | Public Housing Capital Fund Program | Component Units | Temporary Assistance for Needy Families | Child Care and Development Block Grant | Total |
|---|---|--|--|---|--------------------|--|--|--------------|
| \$0 | \$0 | \$0 | \$0 | \$4,858,842 | -\$63,579 | \$0 | \$38 | \$10,856,156 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 39,776 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 5,558,039 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,988,055 |
| 0 | 0 | 52,014 | 22,399 | 507,308 | 361,909 | 820,364 | 2,684 | 13,851,557 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 4,858,842 | -63,579 | 0 | 38 | 3,270,286 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| \$711,259 | \$5,060,217 | \$0 | \$0 | \$668,179 | \$391,134 | \$0 | -\$20,201 | \$31,244,120 |
| -711,259 | -5,060,217 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 6,069,805 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,240,092 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 8,309,897 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 36,016 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 33,639 |

(Concluded)

Housing Authority of the City of Monroe



STATISTICAL SECTION

HOUSING AUTHORITY OF THE CITY OF MONROE

Table 1

General Fund Expenditures/Expenses By Function
Fiscal Years Ended June 30,

| Fiscal Year | Administration | Tenant Services | Utilities | Ordinary Maintenance and Operations | Protective Services and General | Non routine Maintenance | Capital Outlay | Depreciation | Total |
|-------------|----------------|-----------------|------------|-------------------------------------|---------------------------------|-------------------------|----------------|--------------|--------------|
| 1993 (1) | \$ 496,361 | \$ 20,718 | \$ 229,348 | \$ 1,105,853 | \$ 803,149 | \$ 6,739 | \$ 0 | \$ 0 | \$ 2,662,167 |
| 1994 (2) | 513,009 | 19,462 | 252,276 | 1,103,969 | 770,324 | 40,628 | 119,929 | 0 | 2,819,597 |
| 1995 | 518,750 | 18,720 | 240,965 | 1,015,575 | 804,454 | 104,812 | 53,628 | 0 | 2,756,904 |
| 1996 | 530,293 | 24,550 | 260,056 | 1,040,726 | 804,755 | 12,275 | 38,602 | 0 | 2,711,257 |
| 1997 | 596,104 | 32,310 | 255,079 | 1,009,743 | 833,668 | (1,005) | 149,964 | 0 | 2,875,863 |
| 1998 | 591,413 | 14,174 | 242,189 | 1,072,709 | 924,847 | 35,862 | 43,496 | 0 | 2,924,690 |
| 1999 | 655,729 | 16,802 | 251,858 | 1,173,265 | 1,077,231 | 35,386 | 60,524 | 0 | 3,270,795 |
| 2000 (3) | 1,429,953 | 31,990 | 292,397 | 1,220,846 | 1,419,470 | 528,206 | 0 | 1,744,301 | 6,667,163 |
| 2001 | 1,615,349 | 628,396 | 375,917 | 1,678,209 | 555,543 | 45,282 | 0 | 1,878,217 | 6,776,913 |
| 2002 | \$ 1,363,800 | \$ 1,131,795 | \$ 272,370 | \$ 1,714,052 | \$ 814,363 | \$ 39,776 | \$ 0 | \$ 1,987,358 | \$ 7,323,514 |

Notes:

- (1) The financial statements for the fiscal year 1993 was prepared in conformity with the accounting practices prescribed by the U. S. Department of Housing and Urban Development for public housing authorities. Fixed asset purchases were capitalized.
- (2) Beginning with the fiscal year 1994, the financial statements were prepared in accordance with accounting principles generally accepted in the United States of America.
- (3) The funds of the Housing Authority were reported as enterprise funds beginning for the 2000 year. Previously, they were treated as governmental fund types.

Source: Comprehensive Annual Financial Reports of the Housing Authority of the City of Monroe.

HOUSING AUTHORITY OF THE CITY OF MONROE

General Fund Revenues by Source
Fiscal Years Ended June 30,

| Fiscal Year | Dwelling rentals | | Federal sources | | Interest earnings | | Other (4) | | Total | |
|-------------|------------------|------------------|-----------------|------------------|-------------------|------------------|------------|------------------|--------------|------------------|
| | Amount | Percent of Total | Amount | Percent of Total | Amount | Percent of Total | Amount | Percent of Total | Amount | Percent of Total |
| 1993 (1) | \$ 1,707,758 | 51.87% | \$ 866,853 | 26.33% | \$ 26,388 | 0.80% | \$ 691,481 | 21.00% | \$ 3,292,480 | 100% |
| 1994 (2) | 1,754,123 | 61.94% | 912,989 | 32.24% | 25,722 | 0.91% | 139,246 | 4.92% | 2,832,080 | 100% |
| 1995 | 1,840,540 | 61.77% | 878,075 | 29.47% | 42,592 | 1.43% | 218,468 | 7.33% | 2,979,675 | 100% |
| 1996 | 1,898,897 | 63.19% | 847,901 | 28.22% | 69,373 | 2.31% | 188,728 | 6.28% | 3,004,899 | 100% |
| 1997 | 1,992,296 | 64.65% | 825,422 | 26.78% | 110,089 | 3.57% | 153,922 | 4.99% | 3,081,729 | 100% |
| 1998 | 2,065,622 | 61.93% | 1,009,710 | 30.27% | 132,315 | 3.97% | 127,868 | 3.83% | 3,335,515 | 100% |
| 1999 | 2,152,080 | 50.53% | 986,785 | 23.17% | 141,479 | 3.32% | 978,310 | 22.97% | 4,258,654 | 100% |
| 2000 (3) | 2,352,614 | 51.90% | 1,780,911 | 39.29% | 174,677 | 3.85% | 224,741 | 4.96% | 4,532,943 | 100% |
| 2001 | 2,340,075 | 53.34% | 1,542,010 | 35.15% | 213,326 | 4.86% | 291,307 | 6.64% | 4,386,718 | 100% |
| 2002 | \$ 2,287,079 | 45.31% | \$ 2,345,945 | 46.48% | \$ 172,241 | 3.41% | \$ 242,023 | 4.80% | \$ 5,047,288 | 100% |

Notes:

(1) The financial statements for the fiscal year 1993 was prepared in conformity with the accounting practices prescribed by the

U. S. Department of Housing and Urban Development for public housing authorities.

(2) Beginning with the fiscal year 1994, the financial statements were prepared in accordance with accounting principles generally accepted in the United States of America.

(3) The funds of the Housing Authority were reported as enterprise funds beginning for the 2000 year. Previously, they were treated as governmental fund types.

(4) The other amount column includes maintenance charges, late charges and other miscellaneous revenue.

Source: Comprehensive Annual Financial Reports of the Housing Authority of the City of Monroe.

Table 3

HOUSING AUTHORITY OF THE CITY OF MONROE

Fund Balances/Equity - General Fund
Fiscal Years Ended June 30,

| Fiscal Year | General Fund |
|-------------|--------------|
| 1993 | \$ 1,319,190 |
| 1994 | 1,438,878 |
| 1995 | 1,661,649 |
| 1996 | 1,965,893 |
| 1997 | 2,171,759 |
| 1998 | 2,582,583 |
| 1999 | 3,648,642 |
| 2000 (1) | 2,749,533 |
| 2001 | 2,828,739 |
| 2002 | \$ 2,802,725 |

(1) For the years ended June 30, 2000 and thereafter, the numbers reflect unrestricted net assets.

Source: Comprehensive Annual Financial Reports of the Housing Authority of the City of Monroe.

HOUSING AUTHORITY OF THE CITY OF MONROE

Tenant Demographics:
Occupancy Ratios by Program
Fiscal Years Ended June 30,

| Fiscal Year | General Fund | | | Section 8 Program | | | Total | | |
|-------------|-----------------|------------------------|----------------|-------------------|------------------------|----------------|-----------------|------------------------|----------------|
| | Number of Units | Average occupied units | Occupied ratio | Number of units | Average occupied units | Occupied ratio | Number of Units | Average occupied units | Occupied ratio |
| 1993 | 1,522 | 1,478 | 97.11% | 1,192 | 1,184 | 99.33% | 2,714 | 2,662 | 98.08% |
| 1994 | 1,522 | 1,511 | 99.28% | 1,192 | 1,079 | 90.52% | 2,714 | 2,590 | 95.43% |
| 1995 | 1,522 | 1,513 | 99.41% | 1,238 | 1,196 | 96.61% | 2,760 | 2,709 | 98.15% |
| 1996 | 1,522 | 1,504 | 98.82% | 1,240 | 1,134 | 91.45% | 2,762 | 2,638 | 95.51% |
| 1997 | 1,522 | 1,504 | 98.82% | 1,240 | 1,139 | 91.85% | 2,762 | 2,643 | 95.69% |
| 1998 | 1,522 | 1,510 | 99.21% | 1,242 | 1,209 | 97.34% | 2,764 | 2,719 | 98.37% |
| 1999 | 1,522 | 1,492 | 98.03% | 1,242 | 1,206 | 97.10% | 2,764 | 2,698 | 97.61% |
| 2000 | 1,522 | 1,496 | 98.29% | 1,246 | 1,213 | 97.35% | 2,768 | 2,709 | 97.87% |
| 2001 | 1,522 | 1,452 | 95.40% | 1,297 | 1,276 | 98.38% | 2,819 | 2,728 | 96.77% |
| 2002 | 1,522 | 1,369 | 89.92% | 1,488 | 1,434 | 96.37% | 3,010 | 2,803 | 93.11% |

Source: Records of the Housing Authority of the City of Monroe.

HOUSING AUTHORITY OF THE CITY OF MONROE
Property Characteristics and Dwelling Unit Composition
June 30, 2001

| Project Number | Name of Development | Address | Year built or acquired | Bedroom Composition | | | | | | Total |
|----------------------------|--|----------------------------------|------------------------|---------------------|------------|------------|------------|-----------|----------|--------------|
| | | | | Zero | One | Two | Three | Four | Five | |
| LA006-001 | George Breece Manor | 306 Winnsboro Road | 10/31/51 | 10 | 20 | 15 | 5 | | | 50 |
| LA006-002 | Johnson-Carver Terrace | Texas Ave. (31 Carroll Dr.) | 03/31/52 | 18 | 28 | 24 | 6 | | | 76 |
| LA006-003 | Johnson-Carver Terrace | Texas Ave. (31 Carroll Dr.) | 08/31/52 | 20 | 59 | 32 | 14 | | | 125 |
| LA006-004 | Louis Lock Homes | 306 Winnsboro Road | 08/31/52 | 16 | 46 | 28 | 10 | | | 100 |
| LA006-005 | Foster Heights | Swayze and Louberta Sts. | 09/30/54 | 8 | 89 | 72 | 6 | | | 175 |
| LA006-006 | Burg Jones Lane | 2601 Burg Jones Lane | 06/30/73 | 10 | 79 | 120 | 71 | 20 | | 300 |
| LA006-007 | Scattered Sites | Scattered Sites | 07/31/71 | | | 20 | 20 | 9 | | 49 |
| LA006-008 | Scattered Sites | Scattered Sites | 02/29/72 | | | 39 | 38 | 19 | | 96 |
| LA006-009 | Robinson Place | 1207 Milliken Drive | 09/30/73 | | | 41 | 41 | 21 | | 103 |
| LA006-010 | Miller Square | 4200 Matthew Street | 04/30/73 | | | 60 | 62 | 30 | | 152 |
| LA006-011 | Frances Tower | 300 Harrison Street | 08/31/78 | 130 | | | | | | 130 |
| LA006-012 | Standifer Homes (scattered sites) | Scattered Sites | 03/31/80 | | 28 | 8 | | | | 36 |
| LA006-013 | McKeen Plaza I | 1500 McKeen Place | 01/31/80 | 100 | | | | | | 100 |
| LA006-014 | Group Homes (scattered sites) | Scattered Sites | 08/31/84 | 30 | | | | | | 30 |
| Total Units | | | | 342 | 349 | 459 | 273 | 99 | | 1,522 |
| Managed Units | | | | | | | | | | |
| 064-EH150 | Ouachita Grand Plaza, Inc. (Mgr. Apt.) | 501 South Grand | 06/15/89 | 21 | 70 | | | | | 91 |
| 064-EE037 | Passman Plaza, Inc. (Mgr. Apt.) | 230 DeSiard Plaza Dr., #101-141 | 11/01/96 | 40 | 1 | | | | | 41 |
| Tax Credit Dev. | Clalborne Creek Apartments, LP | 200 Clalborne Dr., West Monroe | 10/01/97 | 72 | | | | | | 72 |
| 064-EE050 | Passman Plaza II, Inc. | 230 DeSiard Plaza Dr. | 11/01/98 | 39 | | | | | | 39 |
| Tax Credit Dev. | Clalborne Creek II, LP | 200 Clalborne Dr., West Monroe | 10/01/99 | 50 | 10 | | | | | 60 |
| Tax Credit Dev. | Chauvin Pointe I | 325 Chauvin Pointe Drive, Monroe | 11/01/01 | 24 | 50 | | | | | 74 |
| 064-EE100 | South Pointe I | 100 South Pointe Drive, Monroe | 05/01/02 | 36 | | | | | | 36 |
| Total Managed Units | | | | 21 | 331 | 61 | 0 | 0 | 0 | 413 |

Source: Records of the Housing Authority of the City of Monroe.

Table 6

HOUSING AUTHORITY OF THE CITY OF MONROE

Public Housing Management Assessment Program (PHMAP) SCORES

Fiscal Years Ended June 30, 1992 through June 30, 1999

Public Housing Assessment System (PHAS) SCORES

Fiscal Year Ended June 30, 2000 through June 30, 2001

| <u>Fiscal Year</u> | <u>Score</u> |
|--------------------|---------------|
| 1993 | 95.71% |
| 1994 | 95.24% |
| 1995 | 94.74% |
| 1996 | 92.37% |
| 1997 | 99.25% |
| 1998 | 99.25% |
| 1999 | 94.75% |
| 2000 | 92.40% |
| 2001 | 90.00% |
| 2002 | Not Available |

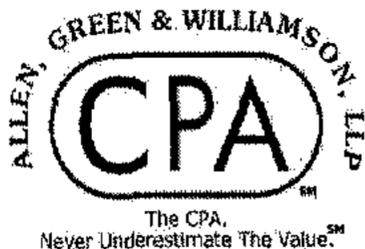
Source: Real Estate Assessment Center (REAC)

**Housing Authority of the City
of Monroe
Monroe, Louisiana**

**Single Audit Report
For the Year Ended June 30, 2002**

Housing Authority of the City of Monroe
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(Retired)
1963 - 2000

Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

Board Members
Housing Authority of the City of Monroe
Monroe, Louisiana

We have audited the basic financial statements of the Housing Authority of the City of Monroe as of and for the year ended June 30, 2002, and have issued our report thereon dated August 22, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America.

Compliance

As part of obtaining reasonable assurance about whether the Housing Authority of the City of Monroe's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

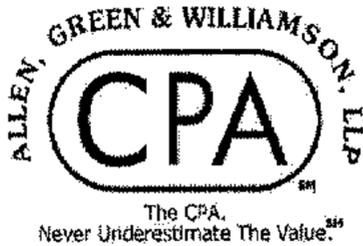
In planning and performing our audit, we considered the Housing Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Board, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
August 22, 2002



ALLEN, GREEN & WILLIAMSON, LLP

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Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular No. A-133

Board Members
Housing Authority of the City of Monroe
Monroe, Louisiana

Compliance

We have audited the compliance of the Housing Authority of the City of Monroe with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2002. The Housing Authority's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Housing Authority's management. Our responsibility is to express an opinion on the Housing Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America; and (OMB) Circular No. A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and (OMB) Circular No. A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Housing Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Housing Authority's compliance with those requirements.

In our opinion, the Housing Authority complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2002. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying Schedule of Findings and Questioned Costs as item 02-F1.

Internal Control Over Compliance

The management of the Housing Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Housing Authority's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with (OMB) Circular No. A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the basic financial statements of Housing Authority as of and for the year ended June 30, 2002, and have issued our report thereon dated August 22, 2002. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular No. A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Board, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
August 22, 2002

**Housing Authority of the City of Monroe
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2002**

| FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME | <u>CFDA Number</u> | <u>Pass-Through Grantor No.</u> | <u>Expenditures</u> |
|--|------------------------|-------------------------------------|---------------------|
| CASH FEDERAL AWARDS | | | |
| United States Department of Agriculture | | | |
| Passed through Louisiana Department of Education: | | | |
| Child and Adult Care Food Program | 10.558 | N/A | \$ 1,221 |
| United States Department of Health & Human Services | | | |
| Passed Through Louisiana Department of Social Services: | | | |
| Payments to States for Child Care Assistance | 93.575 | N/A | 2,722 |
| Temporary Assistance for Needy Families | 93.558 | N/A | <u>820,364</u> |
| Total United States Department of Health and Human Services | | | <u>824,307</u> |
| United States Department of Housing and Urban Development | | | |
| Direct Programs | | | |
| Public and Indian Housing - Operating Subsidy | 14.850a | FW2006 | 1,109,901 |
| Public and Indian Housing Drug Elimination Program | 14.854 | FW2006 | 337,324 |
| Resident Opportunity and Support Services | 14.870 | N/A | 22,399 |
| Section 8 Rental Vouchers Program | 14.871 | FW2072(VO) | 5,745,655 |
| Section 8 New Construction | 14.856 | FW2072(VO) | 464,187 |
| Economic Development and Supportive Services | 14.864 | N/A | 52,014 |
| Public Housing Capital Fund Program | 14.872 | N/A | 5,366,150 |
| Passed Through the City of Monroe, Louisiana: | | | |
| Home Investment Partnerships Program (Home Program) | 14.239 | N/A | <u>71,180</u> |
| Total United States Department of Housing and Urban Development | | | <u>13,168,810</u> |
| Total Cash Federal Awards | | | <u>\$13,993,117</u> |

Housing Authority of the City of Monroe
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2002

NOTE 1 - GENERAL The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the Housing Authority of the City of Monroe, Monroe, Louisiana. The Housing Authority of the City of Monroe (the Housing Authority) reporting entity is defined in Note 1 to the Housing Authority's basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, is included on the schedule.

NOTE 2 - BASIS OF ACCOUNTING The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the Housing Authority's basic financial statements.

NOTE 3 - RELATIONSHIP TO BASIC FINANCIAL STATEMENTS Federal awards revenues are reported in the Housing Authority's basic financial statements as follows:

| <u>Federal Sources</u> | |
|------------------------|---------------------|
| General Fund | \$ 7,712,095 |
| Tenant Based Section 8 | 5,745,655 |
| Other Enterprise | 464,187 |
| Component Unit | <u>71,180</u> |
| | <u>\$13,993,117</u> |

NOTE 4 - RELATIONSHIP TO FEDERAL FINANCIAL REPORTS Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with accounting principles generally accepted in the United States of America.

NOTE 5 - MATCHING REVENUES For those funds that have matching revenues and state funding, federal expenditures were determined by deducting matching revenues from total expenditures.

**Housing Authority of the City of Monroe
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2002**

PART I - Summary of the Auditors' Results

Financial Statement Audit

- i. The type of audit report issued was unqualified.
- ii. There were no reportable conditions required to be disclosed by Government Auditing Standards issued by the Comptroller General of the United States.
- iii. There were no instances of noncompliance considered material, as defined by the Government Auditing Standards, to the financial statement.

Audit of Federal Awards

- iv. There were no reportable conditions required to be disclosed by OMB Circular No. A-133.
- v. The type of report the auditor issued on compliance for major programs was unqualified.
- vi. The audit disclosed an audit finding which the auditor is required to report under OMB Circular No. A-133, Section .510(a).
- vii. The major federal programs are:
 - CFDA #93.558 Temporary Assistance for Needy Families
 - CFDA #14.871 Section 8 Housing Choice Voucher Program
 - CFDA #14.856 Section 8 New Construction
- viii. The dollar threshold used to distinguish between Type A and Type B programs as described in OMB Circular No. A-133, Section .520(b) was \$419,793.
- ix. The auditee qualifies as a low-risk auditee under OMB Circular No. A-133, Section .530.

**Housing Authority of the City of Monroe
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2002**

Reference # and title: **02-F1** **Adjustments to Utility Allowance**

Entity-wide or program/department specific: This finding applies to the Section 8 new construction program.

Criteria or specific requirement: The Housing Authority must establish or ensure tenant utility allowances based on utility consumption and rate data for various sized units, structure types and fuel types and make an annual review of tenant utility allowances to determine their reasonableness, and adjust the allowances, when appropriate.

Condition found: The utility allowance consumption and rate data was not reviewed to determine allowance reasonableness.

Possible asserted effect (cause and effect):

Cause: Unknown.

Effect: Utility allowances have not been adjusted on an annual basis.

Recommendations to prevent future occurrences: Utility consumption and rate data should be reviewed to determine if changes need to be made to the utility allowances.

Housing Authority of the City of Monroe
Corrective Action Plan for Current-Year Findings and Questioned Costs
June 30, 2002

Reference # and title: **02-F1** **Adjustments to Utility Allowance**

Condition: The Housing Authority must establish or ensure tenant utility allowances based on utility consumption and rate data for various sized units, structure types and fuel types and make an annual review of tenant utility allowances to determine their reasonableness, and adjust the allowances, when appropriate.

Condition found: The utility allowance consumption and rate data was not reviewed to determine allowance reasonableness.

Corrective action planned: This was an oversight. We were under the impression that the HUD office in Shreveport had the authority regarding the utility allowance adjustment. We have now added this to our list of compliance items to be completed each year. On this date we have also sent a letter to Brentwood asking them to provide us this information within 30 days.

Person responsible for corrective action:

Mr. Frank Wilcox, Executive Director Telephone: (318) 388-1500
Housing Authority of the City of Monroe Fax: (318) 329-1397
300 Harrison Street
Monroe, Louisiana 71201

Anticipated completion date: Within 30 days.